
Higher Education Restructuring: Administrative Measures

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**Michael Maul,
Associate Director
Department of Planning and Budget**



Administrative and financial measures part of higher education restructuring

- Institutions allowed more administrative autonomy from central agencies, thus have administrative measures.
- Somewhat different measures for Level III institutions than Level I and Level II institutions.
- Institutions have to meet most of the administrative performance standards to pass.

Overall Process

- Measures are contained in Part 4 of the Appropriation Act.
- State Council of Higher Education for Virginia (SCHEV) evaluates the institutions on all academic measures.
- Secretaries of Finance and Administration report on the Financial and Administrative Measures.
- SCHEV meets in early May to review reports on measures and decide if institutions pass.

Level I and II institutions are to meet the following administrative and financial measures:

- An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements:
 - No significant audit deficiencies attested to by the Auditor of Public Accounts;
 - Substantial compliance with all financial reporting standards approved by the State Comptroller;
 - Substantial attainment of accounts receivable standards approved by the State Comptroller; and
 - Substantial attainment of accounts payable standards approved by the State Comptroller.

Level I and II administrative measures continued

- Complies with a debt management policy approved by its governing board.
- Achieves the classified staff turnover rate goal established by the institution, with an allowable 15 percent variance.
- Substantially complies with its annual approved Small, Women and Minority (SWAM) vendor purchasing plan as submitted to the Department of Minority Business Enterprise, with an allowable 15 percent variance.

Level I and II administrative measures continued

- Makes no less than 75 percent of dollar purchases through the Commonwealth's enterprise-wide internet procurement system (eVA) from vendor locations registered in eVA.
- Completes capital projects (with an individual cost of over \$1 million) within the budget originally approved by the institution's governing board for projects initiated under delegated authority, or the budget set out in the Appropriation Act or other Acts of Assembly.
- Completes major information technology projects (with an individual cost of over \$1 million) within the budgets and schedules originally approved by the institution's governing board.

Level III institutions have some different administrative measures

- Because Level III institutions are given the most administrative autonomy, they have been given additional administrative measures.
- Measures were originally in the restructuring agreements with the Level III schools.
- More self-reporting from Level III institutions.

Some of the additional or modified Level III administrative measures include:

- Maintains a bond rating of AA- or better.
- Achieves a three-year average rate of return at least equal to the imoney.net money market index fund.
- Meets the statewide voluntary turnover rate for full-time employees, with an allowable 15 percent variance.
- Achieves a rate of internal progression within a range of 40 to 60 percent of the total salaried staff hires for the fiscal year.

Level III administrative measures continued

- Makes no less than 80 percent of dollar purchases through the Commonwealth's enterprise-wide internet procurement system (eVA), with no less than 75 percent of dollars to vendor locations registered in eVA.
- Completes capital projects with the dollar amount of owner requested change orders not more than 2 percent of guaranteed maximum price or construction price.
- Assures average cost per square foot for leased office space is within 5 percent of the average commercial business district lease rate for similar nearby quality space.
- Complies with information technology institutional security standards as evaluated in internal and external audits.

The evaluation of the administrative and financial measures is as follows:

- Department of Planning and Budget (DPB) requests responses from involved agencies and institutions in December.
- DPB reviews all responses and provides draft report to Secretaries along with problems or concerns.
- Secretaries review measures and then sign off on final report to SCHEV.